

DIRECT TESTIMONY

OF

ALCINDA JACKSON

CONSUMER SERVICES DIVISION

ILLINOIS COMMERCE COMMISSION

Z-TEL COMMUNICATIONS, INC.

VS

ILLINOIS BELL TELEPHONE COMPANY,
D/B/A AMERITECH ILLINOIS

DOCKET NO. 02-0160

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1

2 **I. Introduction and Purpose of Testimony**

3 **Q. Please state your name and business address.**

4 A. My name is Alcinda Jackson, and my business address is 527 East Capitol
5 Avenue, Springfield, Illinois 62701.

6 **Q. What is your occupation?**

7 A. I am a Consumer Policy Analyst in the Consumer Services Division ("CSD")
8 of the Illinois Commerce Commission ("Commission").

9

10 **Q. What are your present responsibilities in the Consumer Services**
11 **Division?**

12 A. I am the telecommunications witness for the Consumer Services Division,
13 and in such capacity promote and advocate the interests of Illinois consumers. I
14 have testified on behalf of consumer interests in the SBC/Ameritech merger,
15 Bell/Atlantic merger, Global Crossings/Frontier merger, Gallatin River purchase of
16 Centel, and several other dockets where independent telephone companies or
17 assets were purchased. I have participated in over 300 competitive local
18 certification dockets, which participation includes reviewing applications and
19 testimony from companies requesting certification to provide local exchange
20 telephone service in Illinois. Specifically, I participate in the hearing process to
21 ensure the applicant's compliance with Illinois statutes, and Commission rules and
22 regulations. Additionally, I have participated in over 60 dockets that established
23 Eligible Telecommunications Carriers status for local exchange companies.

24

25 I was also appointed Staff Liaison by the Executive Director under Section
26 755.400 of 83 Illinois Administrative Code Part 755 on August 1, 1993, to the Illinois
27 Telecommunications Access Program ("ITAP"). In that capacity, I oversaw the
28 activities of the ITAP to ensure that the carriers meet all requirements for the Text
29 Telephone ("TT") distribution and Telecommunications Relay Service ("TRS")
30 programs as required in Section 13-703 of the Public Utilities Act ("PUA"). In
31 addition, I was appointed Staff Liaison by the Executive Director pursuant to Section
32 757.300 of 83 Illinois Administrative Code Part 757 on February 13, 1996 to the
33 Universal Telephone Assistance Program ("UTAP"). As Staff Liaison, I oversee the
34 activities of the UTAP to ensure that carriers meet all requirements of the Lifeline
35 Program, Link Up Program and the Universal Telephone Service Assistance
36 Program ("UTSAP") as required in Section 13-301 and 13-301.1 of the PUA.

37

38 **Q. Please describe your occupational experience.**

39 A. I began my employment with the Commission in September 1974, and I
40 have worked in various Divisions within the Commission, including the Consumer
41 Services Division ("CSD"). Prior to my position as Staff Liaison, I was the 9-1-1
42 Program Assistant. Some of my duties included: reviewing 9-1-1 applications to
43 ensure compliance with the Commission's rules and the statute, making
44 presentations, and reviewing filings.

45

46 **Q. Have you testified before the Commission in other dockets?**

47 A. Yes. I have provided testimony in I.C.C. Docket 99-0442 and 99-0443 (ITAC
48 relay proposal and contract); Docket No. 98-0555 (SBC/Ameritech merger); Docket
49 No. 98-0866 (GTE/Bell Atlantic merger); Docket No. 99-0237 (Global
50 Crossing/Frontier merger) I.C.C. Docket 98-0321 (Gallatin River purchase of
51 Centel); Docket No. 96-0503 (GTE wholesale); Docket No. 99-0544 (ATS
52 Services, Inc., CLEC certification); Docket No. 00-0043 (CUB vs. Ameritech
53 marketing practices); Docket No. 98-0252/98-0335/00-0764 (Consol.)
54 (Ameritech's Alternative Regulation); 00-0596 Illinois Administrative Code Part
55 730; 01-0485 Illinois Administrative Code Part 732; and several other
56 telecommunications related cases.

57
58 **Q. What is the purpose of your testimony?**

59 A. The purpose of my testimony is to respond to certain allegations and
60 testimony in regard to the complaint filed by Z-Tel Communications, Inc. ("Z-Tel")
61 versus Illinois Bell Telephone Company, d/b/a Ameritech Illinois ("Ameritech",
62 "AI" or the "Company"). More specifically, I will address Z-Tel's requests for the
63 Commission to Order Ameritech to send a notice advising all Ameritech
64 customers that any wrongful billing by Z-Tel may have been caused by
65 Ameritech's failure to timely advise Z-Tel that the customer switched local
66 service.

67
68 **I. Ameritech customer notification.**

69 **Q. Z-Tel has alleged that Ameritech's failure to deliver accurate, timely,**
70 **and reliable line loss notification causes it to wrongfully bill customers that**
71 **have migrated to another local exchange carrier. Z-Tel First Amended**
72 **Verified Complaint ("Amended Complaint") at p. 2 and ¶¶ 9, 10, 17, 46, and**
73 **57. Has Ameritech acknowledged its failure to provide accurate, timely,**
74 **and reliable line loss notification?**

75 A. Ameritech admitted in response to Z-Tel's original complaint that it has
76 acknowledged that delays and/or errors in the line loss notifications provided by
77 Ameritech Illinois to Z-Tel have resulted in Z-Tel continuing to bill customers after
78 the customers have disconnected Z-Tel's services. Ameritech Verified Answer at
79 p. 5.

80
81 **Q. Z-Tel has requested that the Commission "Order Ameritech to send a**
82 **notice advising all Ameritech customers that any wrongful billing by Z-Tel**
83 **may have been caused by Ameritech's failure to timely advise Z-Tel that the**
84 **customer switched local service." Amended Complaint, p. 19. Do you**
85 **have any concerns regarding Z-Tel's request?**

86 A. Yes. I believe that Z-Tel's request to require Ameritech to send a notice to
87 all Ameritech customers that any wrongful billing by Z-Tel may have been caused
88 by Ameritech is too broad and is likely to confuse customers that have not
89 switched to Ameritech from Z-Tel. I would also note that earlier in its complaint
90 Z-Tel appears to request more narrow relief, stating that: "Z-Tel requests that the
91 Commission order Ameritech to send notice to any customer that migrates from

Z-Tel to Ameritech that the customer may continue to receive bills from Z-Tel, and that Ameritech is the cause of that improper billing.” Amended Complaint, p. 2.

Q. Do you have any other concerns regarding Z-Tel’s request?

A. Yes. In making its ruling on Z-Tel’s request that a notice be sent to Ameritech customers, the Commission should take into account that some wrongful billings may occur for reasons unrelated to the line loss notification issue. While it appears that Ameritech’s line loss notification problems are the major cause of wrongful double billing, it is unlikely that that such problems are the only cause of wrongful double billings by Z-Tel. Based on the CSD’s experience with and investigation of consumer complaints in general, it is reasonable to assume that some wrongful billings may occur for the following reasons: 1) the initial customer service record pulled from Ameritech may contained errors; 2) Z-Tel’s customer service representatives could produce unintentional errors; and 3) consumers could accidentally give erroneous information.

Q. Do you believe that some form of consumer notice is warranted?

A. Yes. It is important that those consumers who receive or who are likely to receive double bills as a result of Ameritech’s line loss notification problems be advised of the probable cause of such double billing. Thus, Staff believes that the notices should be targeted to the potentially affected customers, rather than

the total universe of Ameritech's customers. Staff is not aware of any consumer benefit to mailing such a notice to all Ameritech customers, especially those customers: 1) who are satisfied with Ameritech's service; 2) who have not switched telephone service; or 3) may not ever contemplate switching their service. Staff would also point out that the notice ordered by the Michigan PSC was limited to "Winback customers (customers that migrated from a CLEC back to Ameritech)". Amended Complaint, ¶ 18.

Unless, Z-Tel can specifically identify former customers who were double billed, I recommend that the notice remedy be granted primarily on a going forward basis and end at such time as the line loss notification issue is resolved. It is not clear from Z-Tel's Amended Complaint when its requested relief should start and end. In my opinion, it is reasonable to notify all Winback customers on a going forward basis because it is not possible to identify ahead of time the specific customers who may be affected by Ameritech's line loss notification problems. Thus, the first notice should be sent to customers that have switched back to Ameritech as of November 1, 2001. It is also self-evident that the need for the notice will end at such time as the underlying problems are resolved.

Q. If consumers have the potential to switch carriers, why not notify all consumers that they may be wrongfully billed if they switch carriers?

A. Providing notice to all consumers has the potential to harm competition by suggesting to consumers that they may be wrongfully billed if they switch

138 telephone companies, when in fact they may not be wrongfully billed. Notice to
139 all consumers may cause consumers who are contemplating switching carriers to
140 not make the switch, because they do not want the inconvenience of having to
141 work out billing problems, when a billing problem may not occur. This notice may
142 also cause consumers contemplating a change in carriers to stay with their
143 existing carrier and calling plan, thus eliminating the possibility of saving money
144 or receiving a calling plan more suited to the consumer. Due to the lack of
145 competition downstate, sending a notice to Ameritech's downstate customers
146 would be of no benefit, especially since Z-Tel does not provide service outside of
147 the Chicago area. A mailing to all customers may also encourage unfounded
148 double billing claims (through confusion and/or possibly consumer fraud),
149 causing Z-Tel, other CLECs and/or Ameritech to waste resources investigating
150 groundless complaints. Sending comprehensive notice to unaffected consumers
151 equates to junk mail, thus creating the possibility of future important mailings
152 being ignored by customers. Lastly, sending a wide spread mailing may cause
153 customers to inundate Ameritech's customer service center(s) with questions,
154 thereby prohibiting customers with legitimate problems from being served by
155 Ameritech.

156
157 **Q. Z-Tel claims that double billing customers as a result of not receiving**
158 **the proper line loss notification causes immeasurable, but significant**
159 **damage to the company's reputation. Does Staff agree with Z-Tel's claim?**

160 A. Yes. Even though Z-Tel provides a customer credit for the double billing,
161 the customer double billed because of improper line loss notification has been
162 inconvenienced through no fault of his own. The company double billing a
163 customer in that situation gives the appearance that the company is not
164 responsible or capable, or even that the company is willing to wrongfully obtain a
165 customer's money. I would add that the reputation of all competitive carriers
166 may be tarnished from the perspective of the consumer experiencing this type of
167 difficulty with a competitive carrier.

168
169 **Q. Is there a possibility that some customers may not notice the**
170 **wrongful double billing and pay both bill?**

171 A. Yes. Staff believes that the possibility exists that some consumers, such
172 as senior citizens, may not watch their bills closely or pay every bill that is
173 received. Thus, one of the benefits of the notice requested by Z-Tel is that some
174 customers not otherwise aware of a wrongful billing may become aware of same
175 and have that error corrected.

176
177 **Q. Do you have any recommendations with respect to how**
178 **implementation of the notice remedy should be accomplished?**

179 A. Yes, I do. If Ameritech does not have the appropriate customer
180 information; Z-Tel should provide customer mailing information to Ameritech.
181 Ameritech should be restricted from using this information for any other purpose.
182 If Z-Tel does not want to provide this information to Ameritech, then Ameritech

can provide the letter and mailing materials, including postage to Z-Tel, for Z-Tel to address the letters for mailing.

Q. Does Staff believe that a one-time mailing will suffice?

A. No. Staff believes that Ameritech should direct its initial mailing to all known previous and current customers who have been won back by Ameritech from Z-Tel since November 1, 2001. Then, on a monthly bases until the line notification problems are fixed, Ameritech should mail notices to all new customers won back from Z-Tel.

Q. Do you have any further recommendations regarding the notice?

A. Yes. Staff recommends that the Commission provide for Staff to review and approve the notice to be delivered to customers to ensure that the information is clearly presented and reflects the ultimate decision of the Commission. .

III. Slamming and Cramming of Customers

Q. Are there any other issues of concern to Staff that have not been addressed in this docket?

A. Yes. Issues regarding Section 13-902 of the PUA, Authorization and verification of a subscriber's change in telecommunications service, and Section 13-903 of the PUA, Authorization, verification or notification, and dispute

205 resolution for covered product and service charges on the telephone bill, have
206 not been specifically addressed thus far.

207
208 **Q. Please define slamming and cramming.**

209 A. In layman terms, slamming is the unauthorized change of a customer's
210 service and cramming is the unauthorized billing of a customer.

211
212 **Q. Why does Staff believe that the slamming and cramming statutes are**
213 **relevant to this docket?**

214 A. When a customer is in receipt of two bills from two different
215 telecommunications carriers for the same period of time, obviously one of the
216 carriers is not authorized to bill the customer for products and services. Z-Tel's
217 allegations of Ameritech's failure to deliver accurate, timely, and reliable line loss
218 notification places a carrier in a precarious situation of unknowingly not having
219 the proper authority to bill a customer for services and features.

220
221 **V. Conclusion**

222 **Q. Please describe Staff the conclusions that Staff has reached in this**
223 **docket.**

224 A. The focus of the CSD is what is best for the consumer. Switching from one
225 telecommunications carrier to another should be seamless to consumers. A
226 consumer has no knowledge of a line loss notification, however, a consumer can
227 unknowingly be greatly impacted by this transaction. Most customers are savvy

228 enough to know when they have been billed twice, but may never realize who is
229 at fault. The delivery of accurate, timely, and reliable line loss notification is of
230 utmost importance. The fact that a customer receives an accurate bill and
231 receives the service quality that it has paid for is also of utmost importance.
232 Ameritech admits that accurate and timely line loss notification are important to
233 Z-Tel's business operations, including its ability to accurately bill its customers.
234 Ameritech Verified Answer at 3. By the evidence provided in this docket, it
235 appears that the two companies have been working to resolve this issue for
236 some time.

237
238 Throughout my testimony, I have stated my conclusions, but I will summarize my
239 main point again. This Commission should consider what is best for consumers
240 in reaching its decision. Staff believes that the notices should be targeted to the
241 potentially affected customers, rather than the total universe of Ameritech's
242 customers.

243
244 **Q. Does this complete your direct testimony?**

245 **A.** Yes, it does.